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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 001480

SIPDIS

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TAGS: PREL PGOV EAID EUN AF PK

SUBJECT: NEW EUROPEAN UNION ACTION PLAN ON AFPAK: MODEST

INCREASE IN ASSISTANCE, BUT NO MAJOR POLICY SHIFTS

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Classified By: USEU Political M-C Christopher Davis for reasons 1.4(b) and (d)

11. (C) Summary: The new European Union (EU) Action plan for Afghanistan and Pakistan, released during the monthly foreign ministers meeting October 27, presents a unified focus for further EU engagement in Afghanistan and Pakistan. While it does not contain significant new commitments, it does offer the potential for greater coordination and cohesion within EU efforts on the ground. Additionally, the European Union has announced it intends to increase assistance to Afghanistan and Pakistan, but European Commission (EC) contacts note that these increases will be modest. The Swedish Presidency has taken a leading role in driving the action plan, but they are limited in their ability to effect real change by the Commission's budget cycles and member state buy-in to the process. After Sweden ends its Presidency December 31, the EU may lose some of its vocal momentum on Afghanistan and Pakistan. End Summary.

New Action Plan, Same Policy Priorities

- 12. (SBU) The EU Foreign Ministers approved a new "EU Action plan for Afghanistan and Pakistan" October 27 at their monthly meeting (the GAERC). While acknowledging the importance of regional engagement, the action plan lays out several main areas of focus for Afghanistan, including subnational governance, rule of law and policing, and agricultural and rural development. On Pakistan, the plan reiterates the EU's support for the Malakand Strategy, and singles out counterterrorism and increasing trade relationships as areas for increased attention. The plan also calls for an implementation scheme (currently being drafted by the EC), which will be reviewed every six months to ensure continued attention to the EU's priorities. The Swedish Presidency hopes to release this scheme at the December GAERC.
- ¶3. (SBU) In real terms, the action plan does not contain dramatic new commitments or initiatives. It is also not intended to replace member state funding and priorities, but instead is meant to offer a more focused plan for the European Commission and member states to use when planning their funding priorities (especially the smaller countries). One of the most significant commitments is the plan to "double-hat" the Special Representative for Afghanistan and Pakistan and the EC's delegation head in Kabul. This combination of roles should allow increased coordination on the ground, removing the confusion over the EU's multiple representatives in Kabul. Additionally, the EU has pledged to host a second summit with Pakistan in the first half of 2010 (following the first summit held in June 2009). The EU ministers also stated they are "ready to fund" several new initiatives in both countries, but most of these follow on existing proposals.

European Assistance Increases Will Be Modest

- ¶4. (SBU) While the press has reported statemnts by Swedish Foreign Minister Bildt and European Commissioner for External Relations Frrero-Waldner touting "increases" in foreign asistance, Commission and Council Secretariat contacts inform us that these increases will be modest. EU assistance numbers consist of two parts: member state contributions and Commission contributions. While Sweden is currently encouraging member states to increase bilateral assistance, no member states have announced plans to raise their funding significantly. In fact, many member states (21 of whom are NATO members) jointly consider their military and non-military assistance, and most states are unlikely to report an increase in assistance before the U.S. review process is complete.
- 15. (SBU) The EC will be increasing its contributions as part of the mid-cycle review. (EC assistance numbers are on a five year budget cycle and the EC is in the midst of reviewing contributions for 2011-2013.) The Deputy Head of Unit for South Asia at the European Commission, Heino Marius, reports Commissioner Ferrero-Waldner has approved an increase in the budget for both Afghanistan and Pakistan; however, this increase will not be final until the budget cycle is complete. (It still must be internally reviewed, shared with other commissions, and sent to both member states and the European Parliament for comment.) A final decision and public announcement is not likely before March 2010, which is also when the money would be available for use.
- $\underline{\P}6$ . (SBU) Privately, now that the EC has reached its decision, it may begin sharing its provisional numbers with partners. For Pakistan, the EC will be raising its annual levels to 75 million Euros (from the current 50 million

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Euros). Reportedly, Afghanistan,s assistance budget will be increased more than this (and the starting level is significantly higher - nearly 1.75 billion Euros disbursed since 2002), but the EC has not yet shared these figures. The EU will likely share its proposed increase with us during the U.S.-EU Summit, but any such actual number may not be publicly announced until March.

## Sweden - Pushing for Deliverables

- 17. (C) The Swedish Presidency has been a driving force behind formulation of the action plan. Its leadership has resulted in increased high-level discussions in the EU about the action plan, creative approaches to try to fulfill the EUPOL police training mandate (which remains stuck at 265 trainers out of a promised 400), and a push for concrete deliverables in the action plan. Commission and Council Secretariat officials have become increasing frustrated with Sweden's public statements on the plans, regarding them as over-stating the extent of the action plan's reach. Additionally, some officials speculate that Sweden's purpose in pursuing the Afghanistan-Pakistan agenda is intended to raise Swedish FM Bildt's profile. (Note: Bildt has been cited as a potential candidate for the new European Union High Representative for Foreign Policy position.)
- 18. (C) Comment: We welcome Swedish attention to Afghanistan and Pakistan. The action plan should result in improved coordination for EU efforts on the ground, and continued Swedish efforts to persuade member states to increase their financial assistance and staff EUPOL properly are positive developments. However, complaints that this action plan is largely a repackaging of existing EU policy have a certain element of truth. Given the Swedish Presidency's high priority on Afghanistan and Pakistan, member state interest and momentum for increased EU engagement may slow after Sweden's term ends December 31 and Spain takes over.